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FISCAL IMPACT STATEMENT

LS 7705

BILL NUMBER: HB 1137

NOTE PREPARED: Apr 21, 2005

BILL AMENDED: Apr 20, 2005

SUBJECT: Office of Technology.

FIRST AUTHOR: Rep. Murphy

FIRST SPONSOR: Sen. Ford

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *(1)(a) and (b):* This bill creates the Office of Technology by combining the duties performed by the Division of Information Technology of the Department of Administration, the Information Technology Oversight Commission, and the Enhanced Data Access Review Committee. The bill also provides that the Office of Technology shall assist the Intelnet Commission in continuing to provide those services supplied by the Intelnet Commission as of July 1, 2005. The bill transfers to the new Office the duties, rules, personnel, equipment of the combined entities, and funds (except for funds held by the Intelnet Commission). The bill also makes conforming changes. The bill also repeals statutes establishing the state Information Technology Oversight Commission, establishing the state Enhanced Data Access Review Committee, granting various powers to the Intelnet Commission, defining intelnet in the public purchasing law, and referring to the Intelnet Commission in the law concerning immunity.

(2) This bill provides that the Office of Technology shall assist political subdivisions in coordinating operations of information technology systems.

(3) The bill directs the Office of Technology to appoint a group to develop accessibility standards.

(4) The bill provides that the chief information officer of the office of technology participates in decisions made by the higher education telecommunications system.

(5) The bill also specifies that county auditors and county assessors shall (1) transmit electronic property assessment data records to the Department of Local Government Finance and the Legislative Services Agency (LSA) in a standard format prescribed by the Office of Technology and approved by LSA; and (2) archive

electronic property assessment data records in the fashion prescribed by the Office of Technology and approved by LSA.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Summary:* The overall fiscal impact of this legislation is estimated to be minimal. The provisions of this bill have been divided into four sections. The fiscal impact of each section is explained below:

(1) (a) *General Reorganization:* The cost of this general restructuring is expected to be limited. The transition is not expected to necessitate the hiring of additional support staff or require additional office space.

(b) *New responsibilities for State Agencies:* The possible increase in administrative costs that may result from these new responsibilities could presumably be covered through the use of existing staff and resources.

(2) *Office of Technology assistance to Political Subdivisions:* The provisions of this bill relating assistance to political subdivisions will have an indeterminable administrative cost impact. The administrative costs will ultimately determined by the administrative actions taken by Office in complying with these provisions. There also will be an indeterminable impact on the County Assessors (See Local Expenditures).

(3) *Group on Accessibility Standards:* This group is established to assist the CIO in developing accessibility standards. Any fiscal impact is expected to be covered through the use of existing staff and resources of the agencies required to be represented.

Background Details: The following is a more detailed description of the sections discussed above.

(1)(a) *General Reorganization:* The Office of Technology, created in this bill, will combine the rules, personnel, funds, and equipment of three existing entities:

- (1) the Department of Administration's Division of Information Technology;
- (2) the Information Technology Oversight Commission; and,
- (3) the Enhanced Data Access Review Committee (EDARC).

The bill also transfers the duties and authority of the Intelenet Commission, but unlike the three entities above, the bill does not repeal the Intelenet Commission.

The cost of this general restructuring is expected to be limited. The transition is not expected to necessitate the hiring of additional support staff or require additional office space. This bill provides that the Governor appoints the Chief Information Officer (CIO) of the Office.

The December 7, 2004, state staffing report indicates that the Department of Administration's Division of Information Technology (DoIT) currently has 119 positions filled, and approximately 43 vacancies. The Information Technology Oversight Commission (ITOC) has 7 positions, of which 5 are filled.

The Intelenet Commission provides administrative staff for the EDARC, whose membership is as follows:

- (1) The State Budget Director or the director's designee.
- (2) The Commissioner of the Indiana Department of Administration or the Commissioner's designee.
- (3) A liaison from the Governor's office.
- (4) The Director of the State Library or the Director's designee.
- (5) The Director of the Commission on Public Records or the Director's designee.
- (6) The Attorney General or the Attorney General's designee.
- (7) Three individuals who are members of the general public appointed by the Governor for three-year terms.

DoIT is funded through the Data Processing Rotary Fund and the Telephone Rotary Fund. Revenue to these rotary funds comes from fees assessed on state agencies. During the FY 2004 - FY 2005 biennium, DoIT is budgeted approximately \$59,587,500 each year. DoIT also receives an annual \$2.18 M appropriation from revenue to the state's Pay Phone Account.

ITOC receives a General Fund appropriation. During the current biennium, ITOC was budgeted \$663,403 each year. The bill specifies that the FY 2006 appropriation to DoIT and to ITOC are transferred to the Department of Information Technology beginning July 1, 2005.

The bill also provides that the Office of Technology shall assist the Intelenet Commission in continuing to provide those services supplied by the Intelenet Commission as of July 1, 2005. The bill specifies that the executive director of the Commission shall:

- (1) work with the office of technology established by IC 4-13.1-2-1 to ensure that there is no disruption in any service provided by the commission as of July 1, 2005;
- (2) only carry on business conducted by the commission as of July 1, 2005, including the following:
 - (A) Collect the Commission's assets.
 - (B) Dispose of the Commission's properties.
 - (C) Discharge or make provision for discharge of the Commission's liabilities.
 - (D) Take any other action necessary to wind up and liquidate the Commission's affairs in accordance with law;
- (3) report to the Governor when the Commission is wound up; and
- (4) return any remaining funds to the State General Fund.

(1)(b) New Responsibilities for State Agencies: This bill also requires that all included state agencies*, when directed by the Governor, shall use the information and telecommunications services provided by the Office. The agencies that are included in this provision are also required to submit to the Office an inventory of all significant information technology hardware, software, personnel, and information technology contracts. Any increase in administrative costs that result from this provision could presumably be covered through the use of existing staff and resources.

*The legislative and judicial departments of state government, state educational institutions, and the Indiana Higher Education Telecommunications System are not required to, but may with consent of the CIO, use the Office's services.

(2) Office of Technology assistance to Political Subdivisions: The provisions relating to this assistance would allow the Office, if it chooses, to facilitate an effort among political subdivisions to establish policies to promote economical, effective, and integrated technology services. The bill requires that the certified computer systems used by county assessors must be compatible with the data export and transmission requirements

prescribed by the Office of Technology and approved by the LSA.

The provisions of this bill related to providing assistance to political subdivisions will have an indeterminable administrative cost impact. The administrative costs will ultimately be determined by the administrative actions taken by the Office in complying with these provisions.

(3) Group on Accessibility Standards: This group is established to assist the CIO in developing accessibility standards. Any fiscal impact is expected to be covered through the use of existing staff and resources of the agencies required to be represented. There is currently a similar group provided for in IC 4-23-16-12, and therefore the impact of establishing this new group is expected to be covered through the use of existing staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: *(3) Office of Technology assistance to Political Subdivisions:* This bill replaces the Department of Local Government Finance (DLGF) with the Office as the entity with which County Assessor certified computer systems must be compatible. Currently IC 6-1.1-31.5-3.5 requires that County Assessor certified computer systems be compatible with a standard format prescribed by the DLGF. This bill would require the systems to be compatible with a standard format prescribed by the Office and approved by the LSA. The impact of this provision is indeterminable. The ultimate cost to the County Assessors will be determined by the format prescribed by the Office, and the possible cost for the Assessors to become compatible with a different format.

The bill also requires that the county assessor and auditor archive electronic property assessment data records in the fashion prescribed by the Office of Technology and approved by the LSA.

Explanation of Local Revenues:

State Agencies Affected: Department of Administration; Information Technology Oversight Commission; Intelenet Commission; Enhanced Data Access Commission; State Commission on Public Records; Indiana Higher Education Telecommunications System; all other included state agencies.

Local Agencies Affected: All; County Assessors; County Auditors.

Information Sources: Auditor of State; State Budget Agency.

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